

6 July 1982

MEMORANDUM FOR THE RECORD

SUBJECT: Second Meeting of Strategic Technology Transfer SIG

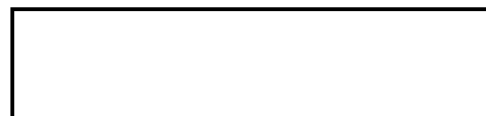
1. The State lead SIG on Strategic Technology met on 1 July. The DCI was represented by the DDI. Undersecretary of State Buckley, SIG Chairman lead off with remarks on the high level interest expressed by the Senate Sub-committee on Investigations in stemming the loss of US technology. He then remarked that he and Undersecretary Olmer had recently met and were working out Commerce's problems with the SIG's terms of reference and for that reason he would defer discussion on the TOR until the next meeting.

2. The meeting then covered the SIG agenda items (copy attached) in rather business like fashion.

Item 2 Agency Reports:

- CIA's presentation was made by the DDI. Afterwards, concerns regarding Intelligence Community collection priorities and resources were raised. It was stated that although the IC does not have all the resources it needs today, the budget planning process is underway -- with SSCI urging -- and the problem seems to be under control. Treasury asked about IC dissemination of intelligence to the Customs Service.

Justice and Customs made similar reports, the latter noting that their export enforcement program EXODUS had now resulted in some 400 technology transfer seizures worth about \$30 million in illegally exported equipment including computers, lasers, and microelectronics. Customs now has over 40 criminal investigations underway as a result.



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3. Issues (In the order covered at the meeting):

- a. Versailles - Bonn Summit Followup: The major activities center around COCOM List review, enhanced enforcement, and improving licensing procedures. Commerce would be leading this effort.

Action assigned: Undersecretary Buckley asked the EDAC to review the fall-out of the Soviet Pipeline issue on COCOM activities and report back at the next SIG meeting.

- b. Japanese Technology Transfer Study: Noting the fine job that CIA had done on an interim study of the subject for INR, the Chairman asked the CIA representative to undertake an IC (IIM) study on the subject and provide it to the SIG by mid-October. The DDI stated that he thought this request could be met. Assistant Secretary of Defense Perle asked whether the current study wasn't complete enough to take some action with the Japanese now. C/TTAC stated that although we do have a good general understanding of the problem, we do not have enough specific information to approach the Japanese with at this time. The IC is in the process of acquiring more specific data and the proposed IC study should greatly enhance the chances of getting the Japanese Government's help in stopping unauthorized and illegal technology transfer there.

Action: The IC will undertake an IIM on the subject to be complete about mid-October.

- h. 3rd Country Technology Transfer Controls: DAS Bryen described Defenses objective in having the SIG undertake a study of the subject. Essentially DoD wants a review of the non-COCOM countries to be made in order to determine how the US should go about enlisting their help in controlling the transfer of strategic technology to the Soviet Bloc.

Action: EDAC will review the proposal and submit an outline on how such an effort might proceed at the next SIG meeting.

- c. COCOM as a Treaty Organization: Assistant Secretary Perle proposed that an effort be made to convert COCOM from a voluntary to a treaty organization. He recognized it would be a low probability prospect but said that the attempt itself could serve a useful purpose. Various counter arguments were made including the funding of such a body.

Action: Chairman Buckley asked that EDAC review the proposal along with other options for improving the effectiveness of COCOM.

d. Extradition Treaties and Legal Assistance Review. The Chairman asked that the members review a paper passed out on the subject, paying particular attention to Page 3 and the identification of key countries. (copy attached).

e. Interagency Communication System: DAS Bryen proposed that the export control agencies consider using the new DoD information system FORDTIS as a means of electronically speeding up the case reviews. (The Agency and the Technology Transfer Intelligence Committee are presently scheduled to get FORDTIS terminals sometime next year)

Action: DoD will set up a working group to compare notes on what other agencies are doing and report back to the SIG in a month or so.

3. The Chairman concluded the work on the agenda, postponing discussion on items f. and g. until the next meeting. He then opened up the meeting for general discussion.

-Assistant Secretary Perle described recent DoD bilateral efforts, using defense assistance and military technology sales, to get our allies to be more favorable to US positions in COCOM. He stated tha they had gotten assurances from Norway along these lines and were now working on the Germans. He suggested that each Department should consider factoring such consideration, into their dealings with the allies. Chairman Buckley said that it sounded promising and asked that it be put on the agenda for the next meeting.

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Chief  
Technology Transfer Assessment Center

Attachment:  
As stated

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Distribution:

Orig - DDCI

- 1 - [REDACTED]
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OSWR/TTAC [REDACTED] (6 July 1982)

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Note: This Agenda was circulated to other agencies yesterday. We have therefore left the ordering of items. However, your Tabs and text indicate that item "h", Third-country Controls, will be taken in third place.

AGENDA

1. Amendments to the Terms of Reference.
2. Reports from:
  - a. CIA
  - b. Justice
  - c. Customs
3. Issues.
  - a. Versailles and Bonn Summits Follow-up on Technology Transfer
  - c. COCOM as Treaty Organization
  - d. Re-examination of Extradition Treaties and Mutual Legal Assistance Agreements
  - e. Interagency Communications System
  - f. Raising Priorities in Training and in Representation Abroad
  - g. Spanish Entry into COCOM
  - h. Third-country Technology Transfer Controls
4. Other Business.

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SIG ON THE TRANSFER OF STRATEGIC TECHNOLOGY

AGENDA ITEMS  
FRIDAY, JUNE 18, 1982

Versailles and Bonn Summit Follow-up

These meetings re-affirmed commitments made at the Ottawa Summit and the COCOM High Level Meeting on the desirability of controlling the flow of strategic technologies. Our current activities pursuant to these agreements include attempting to strengthen the COCOM embargo, to improve enforcement in multi-national export controls, and to harmonize the COCOM nations' licensing procedures.

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COCOM as Treaty Organization

DOD has proposed that the USG undertake a study of the question of converting COCOM into a treaty organization. COCOM is now a voluntary body with no treaty or executive agreement at its foundation. They argue that COCOM could be tighter and more effective in the maintenance of the embargo if it had a treaty at its base. The question to be answered is what are the advantages and disadvantages of attempting such a conversion.

Extradition and Mutual Legal Assistance Agreements

A preliminary study indicates that there are numerous weaknesses in our bilateral legal agreements as they pertain to export control violations. Priorities need to be established in this area and a program of action undertaken and expanded to close some of these loopholes.

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Interagency Communications System

DOD has proposed that a dedicated automated electronic communications system be established among case-processing agencies in Washington to facilitate paper handling, especially in licensing decisions which have time deadlines.

Raising Priorities

Defense has asked that the tasking of the Committee on Special Projects be expanded to cover not only the priorities and practices of USG representatives abroad but also the training programs for personnel going abroad and for personnel handling this issue in Washington.

Spanish Entry into COCOM

Spain has indicated an interest in joining COCOM following its entry into NATO which has not occurred. A plan to follow this up is necessary.

Third-country Transfer Problems

Defense has asked that this topic be taken up by the SIG. The problem deals with weaknesses in the COCOM system when embargoed items are sold to non-COCOM countries. There are many facets of the overall question and many countries involved. A status report on where we are and how we should proceed needs to be prepared.

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